

**CITY OF BISMARCK POLICE PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006**

	September-06					August-06				July-06				Current	Prior Year	3 Years	5 Years
	Allocation	Quarter	Month			Allocation	Month			Allocation	Month			Fiscal YTD	FY06	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2006	6/30/2006
																Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>																	
<i>Structured Growth</i>																	
LA Capital	755,932	3.6%	3.6%	1.81%	3.29%	697,316	3.4%	3.6%	2.15%	683,009	3.3%	3.6%	-3.51%	1.81%	11.88%	N/A	N/A
<b>Total Structured Growth</b>	<b>755,932</b>	<b>3.6%</b>	<b>3.6%</b>	<b>1.81%</b>	<b>3.29%</b>	<b>697,316</b>	<b>3.4%</b>	<b>3.6%</b>	<b>2.15%</b>	<b>683,009</b>	<b>3.3%</b>	<b>3.6%</b>	<b>-3.51%</b>	<b>1.81%</b>	<b>11.88%</b>	<b>12.99%</b>	<b>0.19%</b>
Russell 1000 Growth				3.94%	2.75%				3.12%				-1.90%	3.94%	6.12%	8.34%	-0.77%
<i>Structured Value</i>																	
LSV	775,601	3.7%	3.6%	4.48%	1.77%	748,788	3.6%	3.6%	0.85%	743,002	3.6%	3.6%	1.80%	4.48%	15.93%	21.06%	12.29%
Russell 1000 Value				6.22%	1.99%				1.67%				2.43%	6.22%	12.10%	15.70%	6.89%
<i>Enhanced Russell 1000 Index</i>																	
LA Capital	723,744	3.4%	3.4%	3.51%	2.92%	907,022	4.4%	4.6%	1.74%	891,964	4.4%	4.6%	-1.15%	3.51%	12.49%	12.73%	3.75%
Russell 1000				5.06%	2.37%				2.40%				0.22%	5.06%	9.08%	12.05%	3.12%
<i>Enhanced S&amp;P 500 Index</i>																	
Northern Trust	738,574	3.5%	3.4%	6.56%	3.07%	942,156	4.5%	4.6%	2.55%	918,876	4.5%	4.6%	0.81%	6.56%	9.33%	11.32%	2.81%
Westridge	825,821	3.9%	3.6%	5.68%	2.54%	980,882	4.7%	3.6%	2.42%	958,221	4.7%	3.6%	0.64%	5.68%	8.80%	11.46%	2.80%
Wells Capital	472,200	2.2%	2.4%	1.21%	-0.18%	464,146	2.2%	2.4%	1.43%	457,368	2.2%	2.4%	-0.05%	1.21%	N/A	N/A	N/A
Franklin	496,505	2.4%	2.4%		1.60%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>2,533,101</b>	<b>9.7%</b>	<b>9.4%</b>	<b>5.15%</b>	<b>2.22%</b>	<b>2,387,185</b>	<b>11.5%</b>	<b>10.6%</b>	<b>2.28%</b>	<b>2,334,466</b>	<b>11.4%</b>	<b>10.6%</b>	<b>0.57%</b>	<b>5.15%</b>	<b>8.58%</b>	<b>11.40%</b>	<b>2.76%</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
<i>S&amp;P 500 Index</i>																	
State Street	329,147	1.6%	1.7%	5.79%	2.77%	311,672	1.5%	1.7%	2.07%	305,365	1.5%	1.7%	0.86%	5.79%	9.62%	11.55%	2.70%
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>5,117,525</b>	<b>24.3%</b>	<b>24.0%</b>	<b>4.32%</b>	<b>2.47%</b>	<b>5,051,983</b>	<b>24.3%</b>	<b>24.0%</b>	<b>1.94%</b>	<b>4,957,805</b>	<b>24.3%</b>	<b>24.0%</b>	<b>-0.13%</b>	<b>4.32%</b>	<b>10.93%</b>	<b>13.21%</b>	<b>3.86%</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
<b>SMALL CAP DOMESTIC EQUITY</b>																	
<i>Manager-of-Managers</i>																	
SEI	1,819,042	8.7%	8.6%	-0.01%	1.39%	1,650,787	8.0%	8.6%	2.29%	1,614,330	7.9%	8.6%	-3.59%	-0.01%	13.56%	18.31%	8.00%
Russell 2000 + 200bp				0.94%	1.00%				3.13%				-3.09%	0.94%	16.86%	21.06%	10.71%
Callan	706,151	3.4%	3.4%	-0.91%	1.02%	641,615	3.1%	3.4%	2.38%	626,446	3.1%	3.4%	-4.20%	-0.91%	N/A	N/A	N/A
Russell 2000				0.44%	0.83%				2.96%				-3.25%	0.44%			
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>2,525,193</b>	<b>12.0%</b>	<b>12.0%</b>	<b>-0.27%</b>	<b>1.29%</b>	<b>2,292,402</b>	<b>11.0%</b>	<b>12.0%</b>	<b>2.32%</b>	<b>2,240,776</b>	<b>11.0%</b>	<b>12.0%</b>	<b>-3.76%</b>	<b>-0.27%</b>	<b>13.40%</b>	<b>18.25%</b>	<b>7.97%</b>
Russell 2000				0.44%	0.83%				2.96%				-3.25%	0.44%	14.58%	18.70%	8.50%
<b>INTERNATIONAL EQUITY</b>																	
<i>Large Cap - Core</i>																	
State Street	231,646	1.1%	1.1%	3.40%	-0.39%	232,863	1.1%	1.1%	2.71%	226,633	1.1%	1.1%	1.07%	3.40%	27.85%	20.61%	6.87%
MSCI EAFE (1)				3.93%	0.15%				2.75%				0.99%	3.93%	26.56%	20.76%	5.94%
<i>Large Cap - Active</i>																	
Capital Guardian	697,020	3.3%	3.3%	4.95%	0.62%	692,483	3.3%	3.3%	3.52%	669,522	3.3%	3.3%	0.76%	4.95%	28.01%	21.32%	6.58%
LSV	686,376	3.3%	3.3%	5.93%	1.82%	673,878	3.2%	3.3%	2.92%	655,336	3.2%	3.3%	1.09%	5.93%	27.77%	N/A	N/A
Bank of Ireland	227,343	1.1%	1.1%	3.02%	-1.72%	231,195	1.1%	1.1%	4.37%	221,801	1.1%	1.1%	0.44%	3.02%	22.00%	19.16%	N/A
<b>Total Large Cap - Active</b>	<b>1,610,738</b>	<b>7.7%</b>	<b>7.7%</b>	<b>5.09%</b>	<b>0.79%</b>	<b>1,597,556</b>	<b>7.7%</b>	<b>7.7%</b>	<b>3.39%</b>	<b>1,546,658</b>	<b>7.6%</b>	<b>7.7%</b>	<b>0.85%</b>	<b>5.09%</b>	<b>27.11%</b>	<b>21.84%</b>	<b>7.14%</b>
MSCI EAFE - 50% Hedged				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<i>Small Cap - Active</i>																	
Lazard	221,265	1.1%	1.1%	1.38%	0.65%	219,704	1.1%	1.1%	2.97%	213,634	1.0%	1.1%	-2.17%	1.38%	25.04%	29.34%	N/A
Wellington	221,490	1.1%	1.1%	3.21%	0.64%	219,931	1.1%	1.1%	2.31%	215,326	1.1%	1.1%	0.23%	3.21%	23.35%	25.26%	N/A
<b>Total Small Cap - Active</b>	<b>442,756</b>	<b>2.1%</b>	<b>2.2%</b>	<b>2.29%</b>	<b>0.64%</b>	<b>439,635</b>	<b>2.1%</b>	<b>2.2%</b>	<b>2.64%</b>	<b>428,960</b>	<b>2.1%</b>	<b>2.2%</b>	<b>-0.98%</b>	<b>2.29%</b>	<b>24.18%</b>	<b>27.28%</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				1.55%	0.70%				2.90%				-2.00%	1.55%	29.21%	32.38%	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,285,140</b>	<b>10.9%</b>	<b>11.0%</b>	<b>4.36%</b>	<b>0.64%</b>	<b>2,270,053</b>	<b>10.9%</b>	<b>11.0%</b>	<b>3.17%</b>	<b>2,202,251</b>	<b>10.8%</b>	<b>11.0%</b>	<b>0.51%</b>	<b>4.36%</b>	<b>26.61%</b>	<b>22.77%</b>	<b>8.74%</b>
MSCI EAFE - 50% Hedged				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<b>EMERGING MARKETS EQUITY</b>																	
<i>Core</i>																	
JP Morgan	118,468	0.6%	0.5%	7.76%	2.19%	115,864	0.6%	0.5%	3.63%	112,211	0.5%	0.5%	1.75%	7.76%	N/A	N/A	N/A
PanAgora	99,947	0.5%	0.0%	4.96%	0.46%	99,454	0.5%	0.0%	2.26%	97,215	0.5%	0.0%	2.17%	4.96%	N/A	N/A	N/A
WestLB	101,309	0.5%	0.0%	2.94%	0.26%	101,007	0.5%	0.0%	1.18%	99,792	0.5%	0.0%	1.47%	2.94%	N/A	N/A	N/A
UBS	180,507	0.9%	0.9%	4.67%	0.59%	179,328	0.9%	0.9%	2.30%	175,176	0.9%	0.9%	1.71%	4.67%	N/A	N/A	N/A
<b>Total Core</b>	<b>500,232</b>	<b>2.4%</b>	<b>1.9%</b>	<b>5.09%</b>	<b>0.87%</b>	<b>495,653</b>	<b>2.4%</b>	<b>1.9%</b>	<b>2.37%</b>	<b>484,393</b>	<b>2.4%</b>	<b>1.9%</b>	<b>1.77%</b>	<b>5.09%</b>	<b>35.59%</b>	<b>32.44%</b>	<b>18.61%</b>
MSCI Emerging Markets				5.01%	0.84%				2.60%				1.50%	5.01%	35.91%	22.39%	12.89%
<i>Small Cap</i>																	
DFA	111,874	0.5%	0.6%	8.53%	2.69%	108,861	0.5%	0.6%	3.39%	105,206	0.5%	0.6%	2.22%	8.53%	N/A	N/A	N/A
MSCI Emerging Markets				5.01%	0.84%				2.60%				1.50%	5.01%			
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>612,106</b>	<b>2.9%</b>	<b>3.0%</b>	<b>5.71%</b>	<b>1.20%</b>	<b>604,513</b>	<b>2.9%</b>	<b>3.0%</b>	<b>2.55%</b>	<b>589,598</b>	<b>2.9%</b>	<b>3.0%</b>	<b>1.85%</b>	<b>5.71%</b>	<b>34.40%</b>	<b>32.05%</b>	<b>18.40%</b>
MSCI Emerging Markets				5.01%	0.84%				2.60%				1.50%	5.01%	35.91%	34.76%	21.54%
<b>DOMESTIC FIXED INCOME</b>																	
<i>Core Bond</i>																	
Western Asset	628,760	3.0%	2.9%	4.29%	0.81%	600,960	2.9%	2.9%	1.81%	590,421	2.9%	2.9%	1.60%	4.29%	-1.15%	2.65%	5.96%
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	2.05%	4.97%
<i>Index</i>																	
Bank of ND	1,165,009	5.5%	6.1%	3.77%	0.94%	1,182,112	5.7%	6.1%	1.54%	1,164,243	5.7%	6.1%	1.24%	3.77%	-1.37%	1.53%	5.24%
<b>Total Index</b>	<b>1,165,009</b>	<b>5.5%</b>	<b>6.1%</b>	<b>3.77%</b>	<b>0.94%</b>	<b>1,182,112</b>	<b>5.7%</b>	<b>6.1%</b>	<b>1.54%</b>	<b>1,164,243</b>	<b>5.7%</b>	<b>6.1%</b>	<b>1.24%</b>	<b>3.77%</b>	<b>-0.69%</b>	<b>2.10%</b>	<b>5.27%</b>
Lehman Gov/Credit				3.91%	0.98%				1.58%				1.30%	3.91%	-1.52%	1.60%	5.13%
<i>Convertibles</i>																	
TCW (2)	546,421	2.6%	2.9%	2.85%	1.45%	552,079	2.7%	2.9%	2.08%	541,221	2.6%	2.9%	-0.69%	2.85%	4.54%	6.78%	1.15%
Merrill Lynch All Convertibles (3)				2.79%	1.19%				1.35%				0.23%	2.79%	9.37%	8.01%	4.94%

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	September-06					August-06				July-06				Current	Prior Year	3 Years	5 Years
	Allocation	Quarter	Month			Allocation	Month			Allocation	Month			Fiscal YTD	FY06	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2006	6/30/2006
																Net	Net
<b>BBB Average Quality</b>																	
Wells Capital	626,999	3.0%	2.9%	4.58%	1.04%	591,101	2.8%	2.9%	1.95%	579,860	2.8%	2.9%	1.52%	4.58%	-2.70%	3.36%	5.51%
Lehman BBB				4.80%	1.13%				2.02%				1.58%	4.80%	-2.37%	2.39%	6.10%
<b>Private Debt</b>																	
Prudential	628,881	3.0%	2.9%	3.84%	0.92%	600,510	2.9%	2.9%	1.53%	591,681	2.9%	2.9%	1.34%	3.84%	-0.13%	N/A	N/A
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	N/A	N/A
<b>Timberland</b>																	
TIR - Tereado (4)	447,425	2.1%	2.1%	-0.19%	-0.06%	458,314	2.2%	2.2%	-0.06%	458,314	2.2%	2.2%	-0.06%	-0.19%	-1.44%	7.62%	N/A
TIR - Springbank	937,279	4.5%	4.5%	-0.06%	-0.03%	960,089	4.6%	4.6%	-0.03%	960,266	4.7%	4.7%	-0.01%	-0.06%	13.53%	N/A	N/A
<b>Total Timberland</b>	<b>1,384,705</b>	<b>6.6%</b>	<b>6.6%</b>	<b>-0.10%</b>	<b>-0.04%</b>	<b>1,418,402</b>	<b>6.8%</b>	<b>6.8%</b>	<b>-0.04%</b>	<b>1,418,579</b>	<b>6.9%</b>	<b>6.9%</b>	<b>-0.02%</b>	<b>-0.10%</b>	<b>9.43%</b>	<b>20.37%</b>	<b>N/A</b>
NCREIF Timberland Index				3.49%	1.15%				1.15%				1.15%	3.49%	19.69%	13.94%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>4,980,775</b>	<b>23.7%</b>	<b>24.5%</b>	<b>2.67%</b>	<b>0.71%</b>	<b>4,945,166</b>	<b>23.8%</b>	<b>24.5%</b>	<b>1.22%</b>	<b>4,886,006</b>	<b>23.9%</b>	<b>24.5%</b>	<b>0.72%</b>	<b>2.67%</b>	<b>3.12%</b>	<b>8.91%</b>	<b>8.14%</b>
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	2.05%	4.97%
<b>HIGH YIELD BONDS</b>																	
<b>Core</b>																	
Loomis Sayles	537,171	2.6%	2.5%	4.85%	1.65%	528,233	2.5%	2.5%	1.77%	519,464	2.5%	2.5%	1.35%	4.85%	4.74%	N/A	N/A
Sutter/Wells Capital	528,770	2.5%	2.5%	2.84%	0.88%	523,924	2.5%	2.5%	0.75%	520,580	2.5%	2.5%	1.19%	2.84%	4.70%	N/A	N/A
<b>Total Core</b>	<b>1,065,941</b>	<b>5.1%</b>	<b>5.0%</b>	<b>3.84%</b>	<b>1.27%</b>	<b>1,052,158</b>	<b>5.1%</b>	<b>5.0%</b>	<b>1.26%</b>	<b>1,040,044</b>	<b>5.1%</b>	<b>5.0%</b>	<b>1.27%</b>	<b>3.84%</b>	<b>4.72%</b>	<b>5.70%</b>	<b>3.38%</b>
LB High Yield 2% Issuer Constrained Index				3.76%	1.38%				1.48%				0.86%	3.76%	4.38%	N/A	N/A
<b>Mezzanine Debt</b>																	
Goldman Sachs	7,636	0.0%	0.0%	0.00%	0.00%	5,088	0.0%	0.0%	0.00%	5,088	0.0%	0.0%	0.00%	0.00%	N/A	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	<b>1,073,577</b>	<b>5.1%</b>	<b>5.0%</b>	<b>3.82%</b>	<b>1.26%</b>	<b>1,057,245</b>	<b>5.1%</b>	<b>5.0%</b>	<b>1.25%</b>	<b>1,045,132</b>	<b>5.1%</b>	<b>5.0%</b>	<b>1.26%</b>	<b>3.82%</b>	<b>4.72%</b>	<b>8.34%</b>	<b>7.47%</b>
LB High Yield 2% Issuer Constrained Index				3.76%	1.38%				1.48%				0.86%	3.76%	4.38%	8.48%	8.60%
<b>INTERNATIONAL FIXED INCOME</b>																	
<b>International Sovereign</b>																	
UBS Global (Brinson)	938,559	4.5%	4.5%	-0.15%	-0.63%	944,227	4.5%	4.5%	0.05%	943,504	4.6%	4.5%	0.43%	-0.15%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				0.89%	-0.59%				0.79%				0.69%	0.89%	-0.11%	5.01%	9.58%
<b>International Core</b>																	
Brandywine	961,963	4.6%	4.5%	1.93%	-0.27%	964,210	4.6%	4.5%	0.68%	958,295	4.7%	4.5%	1.51%	1.93%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				1.13%	-0.56%				0.92%				0.77%	1.13%	3.83%	5.69%	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	<b>1,900,521</b>	<b>9.0%</b>	<b>9.0%</b>	<b>0.89%</b>	<b>-0.45%</b>	<b>1,908,437</b>	<b>9.2%</b>	<b>9.0%</b>	<b>0.37%</b>	<b>1,901,799</b>	<b>9.3%</b>	<b>9.0%</b>	<b>0.97%</b>	<b>0.89%</b>	<b>2.01%</b>	<b>6.82%</b>	<b>10.91%</b>
Citigroup Non-US Gov't Bond Index (5)				0.89%	-0.59%				0.79%				0.69%	0.89%	0.00%	5.05%	9.60%
<b>REAL ESTATE</b>																	
INVESCO	872,217			1.55%	0.11%	851,417			1.43%	862,451			0.00%	1.55%	23.84%	N/A	N/A
J.P. Morgan Strategic & Special Funds	881,730			4.36%	1.41%	869,497			1.59%	855,889			1.31%	4.36%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	193,163			-2.82%	-0.80%	193,163			-0.80%	193,163			-1.25%	-2.82%	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	<b>1,947,109</b>	<b>9.3%</b>	<b>8.5%</b>	<b>2.40%</b>	<b>0.61%</b>	<b>1,914,077</b>	<b>9.2%</b>	<b>8.5%</b>	<b>1.28%</b>	<b>1,911,503</b>	<b>9.4%</b>	<b>8.5%</b>	<b>0.50%</b>	<b>2.40%</b>	<b>22.09%</b>	<b>17.14%</b>	<b>12.52%</b>
NCREIF TOTAL INDEX				4.01%	1.32%				1.32%				1.32%	4.01%	18.22%	15.63%	12.19%
<b>ALTERNATIVE INVESTMENTS</b>																	
Coral Partners V	28,864			-0.31%	0.00%	30,010			0.00%	30,321			-0.31%	-0.31%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	2,621			-0.70%	0.00%	2,725			0.00%	2,753			-0.70%	-0.70%	10.53%	10.33%	N/A
Coral Partners VI	44,338			-0.08%	0.00%	42,267			0.00%	42,705			-0.08%	-0.08%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	6,075			4.03%	4.03%	8,052			0.00%	8,136			0.00%	4.03%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	15,077			8.99%	8.99%	14,382			0.00%	14,531			0.00%	8.99%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	35,221			4.86%	6.27%	34,457			-1.31%	42,982			-0.01%	4.86%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	25,080			8.12%	8.12%	24,118			0.00%	24,368			0.00%	8.12%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	14,900			9.58%	6.78%	14,507			2.62%	16,419			0.00%	9.58%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	3,902			3.05%	3.05%	3,937			0.00%	3,978			0.00%	3.05%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	5,661			16.69%	0.00%	5,886			16.69%	7,436			0.00%	16.69%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	9,908			26.11%	0.00%	10,302			23.78%	8,409			1.88%	26.11%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	12,466			7.27%	0.00%	12,961			7.27%	12,208			0.00%	7.27%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	16,746			17.05%	0.00%	17,411			17.05%	16,981			0.00%	17.05%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	10,836			21.45%	12.17%	14,161			8.27%	9,764			0.00%	21.45%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	4,019			-0.77%	0.00%	4,179			-0.77%	4,255			0.00%	-0.77%	24.56%	N/A	N/A
Brinson BVCF IV	53,545			9.17%	-0.07%	58,434			9.25%	54,042			0.00%	9.17%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	6,486			N/A	N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	38,863			-5.52%	0.00%	40,406			-5.52%	43,212			0.00%	-5.52%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	71,479			0.71%	0.00%	74,317			0.71%	74,556			0.00%	0.71%	-0.85%	N/A	N/A
InvestAmerica	18,441			30.21%	30.21%	12,895			0.00%	13,029			0.00%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	446			0.00%	0.00%	2,302			0.00%	0			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	1,042			38.24%	0.00%	11,678			0.00%	11,800			38.24%	38.24%	59.61%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (6)</b>	<b>426,020</b>	<b>2.0%</b>	<b>3.0%</b>	<b>6.16%</b>	<b>2.83%</b>	<b>439,388</b>	<b>2.1%</b>	<b>3.0%</b>	<b>2.45%</b>	<b>441,885</b>	<b>2.2%</b>	<b>3.0%</b>	<b>0.78%</b>	<b>6.16%</b>	<b>11.08%</b>	<b>11.81%</b>	<b>-2.11%</b>
<b>CASH EQUIVALENTS</b>																	
<b>Northern Trust STIF/STEP</b>	<b>152,170</b>	<b>0.7%</b>	<b>0.0%</b>	<b>1.34%</b>	<b>0.40%</b>	<b>269,451</b>	<b>1.3%</b>	<b>0.0%</b>	<b>0.46%</b>	<b>255,812</b>	<b>1.3%</b>	<b>0.0%</b>	<b>0.48%</b>	<b>1.34%</b>	<b>4.31%</b>	<b>2.64%</b>	<b>2.41%</b>
90 Day T-Bill				1.33%	0.46%				0.44%				0.42%	1.33%	4.00%	2.37%	2.25%
<b>TOTAL FUND</b>	<b>21,020,137</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.95%</b>	<b>1.17%</b>	<b>20,752,716</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.71%</b>	<b>20,432,566</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.05%</b>	<b>2.95%</b>	<b>10.18%</b>	<b>13.18%</b>	<b>7.21%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>3.48%</b>	<b>1.16%</b>				<b>1.92%</b>				<b>0.37%</b>	<b>3.48%</b>	<b>7.37%</b>	<b>9.97%</b>	<b>5.73%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

- (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.
- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.
- (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.
- (4) Prior to June 1, 2006, the Tereado properties were under the management of RMK.
- (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
- (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.